

**RESOLUTION  
of the  
CITY OF MINNEAPOLIS**

**Relating to the tax increment financing of public improvements related to the Village at St. Anthony Falls multifamily housing development located in the East Hennepin & University Tax Increment Financing District; authorizing the issuance of Tax Increment Revenue Refunding Bonds (Village at St. Anthony Falls Project), Series 2015; and providing the form, terms, pledge of revenues, and findings, covenants, and directions relating to the issuance of such obligations**

Resolved by The City Council of The City of Minneapolis:

**SECTION 1. BACKGROUND**

1.01. The TIF District and the Redevelopment Project. The Minneapolis Community Development Agency (the "Agency") and the City of Minneapolis (the "City") established the East Hennepin & University Tax Increment Financing District (the "TIF District") under authority granted by Minnesota Statutes, Sections 469.174-469.1799, as amended (the "Tax Increment Act"), within the East Hennepin & University Redevelopment Project Area (the "Redevelopment Project"), and adopted a tax increment financing plan for the purpose of financing certain improvements within the TIF District and the Redevelopment Project. In order to provide for the redevelopment of the Redevelopment Project and the TIF District and, specifically, to provide for the redevelopment of a three-block site located in the TIF District on the east bank of the Mississippi River at the intersection of Hennepin Avenue East and University Avenue East, referred to generally as the Village at St. Anthony Falls Project (the "Project"), the Agency entered into a Contract for Private Redevelopment, dated July 18, 2000, as amended (the "Redevelopment Contract"), between the Agency and Fire Barn Associates, LLC, and its assignees (collectively, the "Redeveloper"). The Project is comprised, in part, of forty-eight (48) market-rate townhouses located on the block designated as Block 2 (the "Block 2 Improvements") and one hundred and twenty-one (121) market-rate lofts and brownstone units located on the block designated as Block 3 (the "Block 3 Improvements").

1.02. The Block 2 Note and the Block 3 Note. On October 27, 2000, the Board of Commissioners of the Agency adopted Resolution No. 2000-2336M (the "Note Resolution"), which provided for the issuance and sale of its tax increment revenue notes. In accordance with the terms of the Note Resolution, the Agency issued its Block 2 Taxable Tax Increment Revenue Note (The Village at St. Anthony Falls Project), Series 2001 (the "Block 2 Note"), in the principal amount of \$2,737,000, dated as of March 20, 2001, payable solely from a portion of the proceeds of the Block 2 Note and from tax increment revenues generated from Block 2. In accordance with the terms of the Note Resolution, the Agency issued its Block 3 Taxable Tax Increment Revenue Notes (The Village at St. Anthony Falls Project), Series 2001 (the "Block 3 Notes"), in the original stated principal amount of \$8,786,000, but initially funded in the amount of \$6,739,000, and later funded in the amount of an additional \$630,000 for a total funded amount of \$7,369,000. The Block 3 Notes were payable solely from a portion of the proceeds of the Block 3 Notes and from tax increment revenues generated from Block 3. The Block 2 Note and the Block 3 Notes are hereinafter referred to collectively as the "Series 2001 Notes."

1.03. Transfer of TIF District and Redevelopment Project to City. Resolution 2003R-625, adopted by the City Council of the City on December 29, 2003, and Resolution No. 2003-2863M, adopted by the Board of Commissioners of the Agency on December 29, 2003, provided that the duties of administering all programs, projects, and districts administered by the Agency, including the Redevelopment Plan, the Redevelopment Project, the TIF District, the TIF Plan, the Redevelopment Contract, and the Project were transferred to the City, effective January 1, 2004.

1.04. Refunding Series 2001 Notes. Under the terms of the Redevelopment Contract, the Agency agreed to refund the Series 2001 Notes with tax-exempt revenue bonds when the conditions set forth in the Redevelopment Contract for the issuance of such revenue bonds were satisfied. On December 29, 2003, the City Council of the City adopted Resolution 2003R-622 (the "Refunding Obligations Resolution"), which provided for the issuance of its tax increment refunding bonds and notes to refund the Block 2 Note and a portion of the Block 3 Notes. In accordance with the terms of the Refunding Obligations Resolution and an Indenture of Trust, dated as of March 1, 2004 (the "Series 2004 Indenture"), between the City and U.S. Bank National Association, as trustee (the "Trustee"), the City issued its Tax Increment Revenue Refunding Bonds (Village at St. Anthony Project), Series 2004 (the "Series 2004 Bonds"), in the aggregate principal amount of \$7,470,000 and dated as of March 1, 2004, and applied the proceeds to redeem and prepay the outstanding principal amount of the Block 2 Note and a portion of the Block 3 Note. In accordance with the terms of the Refunding Obligations Resolution and Resolution 2004R-047, adopted by the City Council on February 13, 2004, the City also issued its Taxable Tax Increment Revenue Refunding Notes (Village at St. Anthony Project), Series 2004 (the "Series 2004 Notes"), in an aggregate principal amount of \$4,000,000 and dated March 16, 2004, to redeem and prepay the outstanding principal amount of the Block 3 Note not refunded with the Series 2004 Bonds.

1.05. Refunding the Series 2004 Note. The conditions set forth in the Redevelopment Contract for refunding the Series 2004 Notes with tax-exempt revenue bonds were satisfied. On November 4, 2005, the City Council of the City adopted Resolution 2005R-599 which provided for the issuance of its tax increment refunding bonds to refund the Series 2004 Notes. In accordance with the terms of Resolution 2005R-599 and an Indenture of Trust, dated as of December 1, 2005 (the "Series 2005 Indenture"), between the City and the Trustee, the City issued its Tax Increment Revenue Refunding Bonds (Village at St. Anthony Falls Project), Series 2005 (the "Series 2005 Bonds"), in the aggregate principal amount of \$4,430,000 and dated December 1, 2005, and applied the proceeds to redeem and prepay the outstanding principal amount of the Series 2004 Notes.

1.06. Terms for Redemption of the Series 2004 Bonds. Under the terms of Section 3-1 of the Series 2004 Indenture, the Series 2004 Bonds are subject to redemption at the option of the City on or after February 1, 2014, at a redemption price of par plus accrued interest to the date of redemption upon: (i) notice by the City to the Prior Trustee of the optional redemption of the Series 2004 Bonds which notice must be provided to the Trustee at least forty-five (45) days prior to an optional redemption date fixed by the City (unless a shorter notice is satisfactory to the Prior Trustee); and (ii) notice by the Trustee to the holders of the Series 2004 Bonds of the optional redemption of the Series 2004 Bonds which notice must be given at least thirty (30) days prior to the redemption date.

1.07. Terms for Redemption of the Series 2005 Bonds. Under the terms of Section 3-1 of the Series 2005 Indenture, the Series 2005 Bonds are subject to redemption at the option of the City on or after February 1, 2014, at a redemption price of par plus accrued interest to the date of redemption upon: (i) notice by the City to the Prior Trustee of the optional redemption of the Series 2005 Bonds which notice must be provided to the Trustee at least forty-five (45) days prior to an optional redemption date fixed by the City (unless a shorter notice is satisfactory to the Prior Trustee); and (ii) notice by the Trustee to the holders of the Series 2005 Bonds of the optional redemption of the Series 2005 Bonds which notice must be given at least thirty (30) days prior to the redemption date.

1.08. Authority to Issue Refunding Bonds. In accordance with the provisions of Section 469.178 of the Tax Increment Act, the City is authorized to issue and sell its tax increment revenue bonds for the purpose of refunding the Series 2004 Bonds and the Series 2005 Bonds and to pledge to the payment of the principal of and interest on such tax increment revenue bonds the tax increment revenues derived from the TIF District established within the Redevelopment Project.

## SECTION 2. ISSUANCE OF THE SERIES 2015 BONDS

2.01. Authorization to Issue Refunding Bonds. In order to refund the outstanding principal amount of the Series 2004 Bonds and the Series 2005 Bonds, there is hereby authorized to be issued by the City the Series 2015 Bonds, as hereinafter defined.

2.02. The Series 2015 Bonds. In order to refund the outstanding principal amount of the Series 2004 Bonds and the Series 2005 Bonds, the City Council hereby authorizes the issuance of tax increment revenue bonds to be designated as the "Tax Increment Revenue Refunding Bonds (Village at St. Anthony Project), Series 2015 (the "Series 2015 Bonds"), in a principal amount not to exceed \$9,000,000. The Series 2015 Bonds shall be issued on such date and upon the terms and conditions determined by the Finance Officer of the City (the "Finance Officer"). The Series 2015 Bonds may be designated such other name or names as determined to be appropriate by the Finance Officer. The Series 2015 Bonds shall be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each series issued by the City. The Series 2015 Bonds are authorized to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. This authorization to issue the Series 2015 Bonds is effective without any additional action of the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. The City Council hereby authorizes the sale of the Series 2015 Bonds to Dougherty & Company LLC (the "Underwriter") upon the offer of the Underwriter to purchase the Series 2015 Bonds in accordance with the terms of a Bond Purchase Agreement, to be dated on or after January 1, 2015 (the "Bond Purchase Agreement"), between the City and the Underwriter.

2.03. Indenture of Trust and Bond Purchase Agreement. There have been presented to the City Council forms of the following documents: (i) an Indenture of Trust, to be dated on or after February 1, 2015 (the "Indenture"), between the City and Trustee; and (ii) the Bond Purchase Agreement. The Indenture and the Bond Purchase Agreement are hereby approved in substantially the forms on file with the City on the date hereof, subject to such changes that are not inconsistent with this resolution (the "Resolution") and applicable law and that are approved by the Finance Officer of the City.

2.04. Terms of Series 2015 Bonds. The Series 2015 Bonds shall have the maturities, interest rates, shall be dated, numbered, and issued in such denominations, shall be subject to mandatory and optional redemption and prepayment prior to maturity, shall be executed, sealed, and authenticated in such manner, shall be in such form, and shall have such other details and provisions as are prescribed in the Indenture. The form of the Series 2015 Bonds included in the Indenture is approved in substantially the form in the Indenture, subject to such changes that are not inconsistent with this Resolution and applicable law and that are approved by the Finance Officer. Without limiting the generality of the foregoing, the Finance Officer is authorized to approve the original aggregate principal amount of each series of Series 2015 Bonds to be issued under the terms of this Resolution (subject to the maximum aggregate principal amount for all series authorized by this Resolution), to establish the terms of redemption, the principal amounts subject to redemption, and the dates of redemption of the Series 2015 Bonds, and to approve other changes to the other terms of the Series 2015 Bonds which are deemed by the Finance Officer to be in the best interests of the City. The issuance and delivery of the Series 2015 Bonds shall be conclusive evidence that the Finance Officer has approved the terms and provisions of the Series 2015 Bonds in accordance with the authority granted by this Resolution. The proceeds derived from the sale of the Series 2015 Bonds, and the earnings derived from the investment of such proceeds, shall be held, transferred, expended, and invested in accordance with determinations of the Finance Officer.

2.05. Security for the Series 2015 Bonds. The Series 2015 Bonds shall be secured by the terms of the Indenture and shall be payable solely from Available Tax Increments (as defined in the Indenture) that are expressly pledged to the payment of the Series 2015 Bonds in accordance with the terms of the Indenture.

2.06. Special Obligations of the City. It is hereby found, determined, and declared that the issuance and sale of the Series 2015 Bonds, the execution and delivery by the City of the Indenture and the Bond Purchase Agreement (the "City Documents"), and the performance of all covenants and agreements of the City contained in the City Documents, and of all other acts required under the Constitution and laws of the State of Minnesota to make the Series 2015 Bonds the valid and binding special obligations of the City enforceable in accordance with their respective terms, are authorized by applicable Minnesota law, including, without limitation, the Tax Increment Act and this Resolution.

2.07. Source of Payment of Series 2015 Bonds. Under the provisions of the Tax Increment Act, and as provided in the Indenture and the Series 2015 Bonds, the Series 2015 Bonds are not to be payable from or chargeable against any funds other than the revenues pledged to the payment thereof; the City shall not be subject to any liability thereon other than from such revenues pledged thereto; no holder of any Series 2015 Bonds shall ever have the right to compel any exercise by the City of its taxing powers (other than as contemplated by the pledge of tax increment revenues under the terms of the Indenture) to pay the principal of, premium, if any, and interest on the Series 2015 Bonds, or to enforce payment thereof against any property of the City other than the property expressly pledged thereto; the Series 2015 Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than the revenues expressly pledged thereto; the Series 2015 Bonds shall recite that the Series 2015 Bonds are issued without a pledge of the general or moral obligation of the City, and that the Series 2015 Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and the Series 2015 Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness.

### SECTION 3. DISCLOSURE DOCUMENTS AND CLOSING CERTIFICATES

3.01. Disclosure Documents and Continuing Disclosure Certificate. The preparation of a preliminary official statement (the "Preliminary Official Statement"), a final official statement (the "Final Official Statement"), or other forms of disclosure documents (collectively, the "Disclosure Documents") in connection with the offer and sale of the Series 2015 Bonds is hereby authorized. When approved by the Finance Officer, the Disclosure Documents are authorized to be distributed in connection with the offer and sale of the Series 2015 Bonds. In order to provide for continuing disclosure with respect to the Series 2015 Bonds in accordance with the continuing disclosure obligations imposed by Rule 15c2-12 (17 CFR §240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the Finance Officer may execute and deliver a Continuing Disclosure Certificate, to be dated on or after February 1, 2015 (the "Continuing Disclosure Certificate"), of the City.

3.02. Finance Officer Certificates. The Finance Officer is authorized to furnish to the purchasers of the Series 2015 Bonds, on the date of issuance and sale of the Series 2015 Bonds, a certificate that, to the knowledge of the Finance Officer, the Final Official Statement (or other final Disclosure Document) does not, as of the date of closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein relating to the Series 2015 Bonds or the City for the purpose for which the Final Official Statement is to be used, or which is necessary in order to make the statements made in the Final Official Statement, in light of the circumstances under which they are made, not misleading. Unless litigation shall have been commenced and be pending questioning the Series 2015 Bonds, the proceedings for approval of the Series 2015 Bonds, tax increment revenues generated or collected for payment of the Series 2015 Bonds, revenues pledged for payment of the Series 2015 Bonds, or the organization of the City, or incumbency of its officers, the Finance Officer shall also execute and deliver a suitable certificate as to absence of material litigation. The Finance Officer is also authorized and directed to execute and deliver a certificate as to payment for and delivery of the Series 2015 Bonds. The Finance Officer may also execute and deliver, in the discretion of the Finance Officer, such other certificates, forms, and other documents requested by the Trustee, the Underwriter or its counsel, or Kennedy & Graven, Chartered, acting in its capacity as bond counsel ("Bond Counsel") with respect to the Series 2015 Bonds. The Finance Officer shall also make arrangements for delivery of the signed approving legal opinion of Bond Counsel as to the validity and enforceability of the Series 2015 Bonds and as to the tax-exempt status of interest on the Series 2015 Bonds.

3.03. Closing Certificates. The City Clerk, the Finance Officer, and other agents, officers, and employees of the City are hereby authorized and directed, individually and collectively, to furnish to the attorneys approving the Series 2015 Bonds, on behalf of the purchasers of the Series 2015 Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, and the right and authority of the City to issue the Series 2015 Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City. Such officers, employees, and agents of the City are hereby authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Underwriter, the Trustee, or other persons or entities in connection with the issuance of the Series 2015 Bonds and the expenditure of the proceeds of the Series 2015 Bonds. Without imposing any limitations on the scope of the preceding sentence, such officers and employees are specifically authorized to execute and deliver one or more Uniform Commercial Code

financing statements, a certificate relating to federal tax matters including matters relating to arbitrage and arbitrage rebate, a receipt for the proceeds derived from the sale of the Series 2015 Bonds, an order to the Trustee, a general certificate of the City, and an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (Revised September 2011).

3.04. Filing with Hennepin County. The City Clerk is hereby authorized and directed to certify a copy of this Resolution and the Finance Officer is hereby authorized to cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Minnesota Statutes, Section 475.63, and to obtain a certificate from the Director of the Taxpayer Services Department of Hennepin County as to the registration of the Series 2015 Bonds.

#### SECTION 4. REDEMPTION OF SERIES 2004 BONDS AND SERIES 2005 BONDS

4.01. Redemption of Series 2004 Bonds and Series 2005 Bonds. The City elects to apply the net proceeds of the Series 2015 Bonds to the optional redemption and prepayment of: (i) the Series 2004 Bonds in accordance with their terms and the terms of the Series 2004 Indenture; and (ii) the Series 2005 Bonds in accordance with their terms and the terms of the Series 2005 Indenture. Following the sale and issuance of the Series 2015 Bonds, the Trustee, as Bond Registrar of the Series 2004 Bonds, is directed to cause notice of redemption of the Series 2004 Bonds to be given to the holders of the Series 2004 Bonds in accordance with the terms of the Series 2004 Bonds and the Series 2004 Indenture and to take all other actions necessary to cause the redemption and prepayment of the Series 2004 Bonds to occur as soon as possible after the date of issuance of the Series 2015 Bonds. Following the sale and issuance of the Series 2015 Bonds, the Trustee, as Bond Registrar of the Series 2005 Bonds, is directed to cause notice of redemption of the Series 2005 Bonds to be given to the holders of the Series 2005 Bonds in accordance with the terms of the Series 2005 Bonds and the Series 2005 Indenture and to take all other actions necessary to cause the redemption and prepayment of the Series 2005 Bonds to occur as soon as possible after the date of issuance of the Series 2015 Bonds.

#### SECTION 5. MISCELLANEOUS

5.01. Liability of Members, Officers, Employees, or Agents. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, nor any officer executing the Series 2015 Bonds shall be liable personally on the Series 2015 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2015 Bonds.

5.02. Limitation of Liability. Nothing in this Resolution or in the above-referenced documents is intended or shall be constructed to confer upon any person (other than as provided in the Indenture, the Series 2015 Bonds, and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

5.03. Execution of Documents. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting finance officer, or deputy or assistant finance officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

5.04. Tax Covenants. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Series 2015 Bonds or any related activity which would cause the Series 2015 Bonds to be deemed to be "private activity bonds," within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Series 2015 Bonds, or any related activity, that would cause the Series 2015 Bonds to be deemed to be "arbitrage bonds," within the meaning of Section 148 of the Code. Furthermore, the City shall take all such actions as may be required under the Code to ensure that interest on the Series 2015 Bonds is not and does not become includable in gross income for federal income tax purposes.

5.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated hereby is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Series 2015 Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Series 2015 Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, Bond Counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of Bond Counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Series 2015 Bonds, if the Series 2015 Bonds are then tax-exempt obligations; and (f) such amendments do not materially prejudice the interests of the owners of the Series 2015 Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

5.06. Effective Date. This Resolution shall take effect and be in force from and after its approval and publication. In accordance with the terms of Section 4.4(d) of Article IV of the Charter of the City, only the title of this Resolution and a summary of this Resolution conforming to Minnesota Statutes, Section 331A.01, subdivision 10, shall be published in an official newspaper of the City.